

But Faint Hope General European War May Be Averted By Diplomacy

Russia and Austria Are Again in Direct Negotiations, While Great Britain and France Work for Peace

RUSSIA ORDERS MOBILIZATION

Facing Most Perilous Epoch in Their History Since Napoleonic Conquests, English People Are the Calmest

(Associated Press Dispatch) LONDON, July 31.—

There are only two factors tonight giving the faintest hope of averting a general European war: First, Russia and Austria are again in direct negotiations; second, both Great Britain and France are using their utmost endeavors in favor of peace. On the other hand, Russia has ordered a general mobilization, and Germany has declared a state of siege, which is undoubtedly the prelude to, if it does not cover, mobilization.

Facing the most perilous epoch in their history since the spectre of Napoleonic invasion, the English people are the calmest nation of Europe. Yesterday they felt that the decision whether Great Britain was to be drawn into a general European war was hanging in the balance; today they be-

Day's War Developments Are Given In Nutshell

Conversations were resumed today by the Russian and Austrian governments. Martial law has been proclaimed throughout Germany.

The stock exchanges are closed everywhere. Several encounters between Austrian and Serbian troops resulted in the Serbians successfully resisting the invaders' advance.

The German liners, Imperator and Vaterland have been taken off the trans-Atlantic service.

Wild patriotic enthusiasm prevailed all night in St. Petersburg.

Vienna was kept in ignorance of the events at the front, and Germany imposed a rigid censorship on dispatches which are greatly delayed.

lieve it a probability rather than a possibility.

There is no mistaking the fact that with the exception of a minority of peace advocates whose voice is hardly heard and seems to carry little weight, the nation's mind is reconciled to war.

There have been no demonstrations, no flag waving, no music hall patriotism, but there is apparent among all classes a sober, grim determination, if the government declares that the nation's interests and obligations require her to take up arms side by side with Russia and France, to see the business through to the bitter end.

The belief of the average man is that the existence of the whole of Europe as an armed camp, nervous and

jealous, could have but one culmination, and if the hour for a general settlement struck, there would be no flinching.

The change that has swept over the temper of the country within a week is marvelous. A week ago the people were wrapped up in prize fights, the Goodwood races, the Cowes regatta and vacations on the continent; tonight they are asking only "Can the British fleet play its part in protecting the island from isolation?" Which means, in the first instance, "Can it destroy the German emperor's navy?"

They are concerned also as to whether food supplies can be maintained, and to what extent private for-

DENMARK MAKES READY FOR WAR WITH GERMANY

Prepares to Mobilize Army and Calls Out All Persons Liable for Military Service in Defense of the Coast

GERMAN FLEET OFF LANGELAND

Shipping is Stopped and Vessels Searched — Danish Editors Thrown into Prussian Fortress — The Cables Are Cut

(Associated Press Dispatch) COPENHAGEN, July 31.—Preparations for mobilization of the Danish army were completed today. The cabinet decided to issue a declaration of neutrality tomorrow in conjunction with a similar declaration issued by the governments of Sweden and Norway.

Both German and English warships have been observed in Danish waters. Two German torpedo boat destroyers steamed close to the fortress Middelgrund, a few miles from Copenhagen. The warships retired only after being commanded to do so by the commandant of the fortress, who threatened to resort to force if they did not leave.

A German squadron is cruising off Langeland, stopping all vessels to learn their nationality and investigating their cargoes. German torpedo boats have been observed near Giessel, in the Cattegat and German warships are patrolling between Sweden and Jutland. A big Russian squadron has been outside the Danish island of Bornholm in the Baltic. A big German naval fleet is reported off South Holland.

Danish Editors Arrested All the editors of Danish papers at Hadersleben, a Prussian seaport in Schleswig have been arrested by the German authorities and imprisoned in the fortress.

Denmark has called out all persons liable for active service, particularly for the protection of the coast. Parliament, which has not been sitting has been summoned to meet tomorrow night. Cable and telegraphic communication between Denmark and Germany has been suspended by German authorities. Telegraphic communication to many places in Germany also has been suspended.

France Not Mobilizing PARIS, July 31.—The French ministry of finance has issued the following statement:

"The rise in the price of wheat in all the markets of the world, probabilities that the harvest in France will be below the average and prospects of seeing this commodity go into hiding as gold does on the eve of great eventualities has caused the government to prohibit exports of grain and farinaceous foods of all kinds. This measure has been taken by Belgium and Germany and supplemented by the prohibition of the export of various products which are considered contraband of war."

France has not yet mobilized, but the cabinet councils which sat until late tonight issued decrees establishing a moratorium and taking other action which could only be determined upon the eve of war. Unofficially the French army is being mobilized. A circumstantial, yet unconfirmed report published in Rome, says that Germany is about to demand from both Russia and France immediate cessation of mobilization. Yet another rumor says that the German ambassador has notified France of his departure.

Great Britain has practically though not officially mobilized and smaller European states, as a precaution, have ordered the mobilization of their armies—Belgium, Holland and Switzerland to protect their territory from being used as a highway for the belligerents; Norway, Sweden and Denmark to guard themselves on general principles. Italy makes no announcement and although rumor credits her with a decision not to participate in the struggle there is little doubt she is making ready for mobilization.

Communication across Europe is cut off and there is universal application of censorship with the result that it is impossible to obtain accurate knowledge of military operation in Serbia. All code telegrams are refused. In short, all European nations are becoming isolated from each other by telephone and railway. Many American travellers are held up by the suspension of international trains. The withdrawal of three famous German yachts from the Cowes regatta is significant. They include the emperor's Meteor and Krupp's Germania. All countries likely to be involved in war are prohibited the export of many products and all stock exchanges in England and Scotland are closed. European state banks have raised their rates and the Bank of England rate has been doubled. The Temps relates the details of a conversation between Count von

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NEW YORK STOCK EXCHANGE LAST IN THE WORLD TO CLOSE

EXODUS OF AUSTRIANS AND SERBIANS RAISES QUESTION OF THE NEUTRALITY LAW

(Associated Press Dispatch)

WASHINGTON, July 31.—Strenuous efforts being made by Austria and Serbia to recall from the United States for military service many thousands of their citizens employed in American factories attracted official attention and the question is raised whether such activities do not exceed the limits of the neutrality law.

Advertisements have appeared in American papers calling reservists and other Austrians and Serbians eligible for military duty to return to their countries for service and offering money for their transportation. The neutrality laws forbid the departure of armed expeditions from the United States directed against a friendly nation and enlistments are specifically prohibited.

An individual foreigner is left free

to make his way as an individual out of the country, but the extension to him of aid in the shape of passage, money and expenses and any attempt to direct his movements to certain rendezvous in a foreign country is believed by some officials here to be of questionable legality and akin to enlistment.

It was recalled tonight that in 1856 during the German war, Secretary Marcy expelled from the United States British Minister Crampton because he was concerned in the enlistment of recruits within the United States for service in the British army. These recruits were directed, through consuls in New York, Philadelphia and Cincinnati, to Halifax, where the British government had opened a recruiting station, at that point technical enlistments were made.

Complex Machinery of the Securities Market of the World Comes to a Halt When Wall Street Quits Business

OTHER AMERICAN 'CHANGES FOLLOW

Banking Business Was Not Greatly Deranged and Confidence as to the Outlook is Not Lost by Business Houses

(Associated Press Dispatch)

NEW YORK, July 31.—The complex machinery of the securities markets of the world came to a halt today for an indefinite period, an occurrence unprecedented in history. With all Europe seemingly on the verge of war, continental exchanges closed several days ago and the London market following suit today, the New York Stock Exchange would have been called upon to bear the weight of the world's financial burdens.

It has virtually done so all week, for while the London market was open transactions were only nominal. Unloading of stocks here by panic-stricken Europe for the last four days, and the consequent collapse of prices made Wall street history. After a period of hesitation and extreme nervous tension it was decided ten minutes before the opening of business that the exchange would not be opened, which action closed the last great market in the world.

All the other American exchanges were quickly closed. Nevertheless there were four assignments, three on the cotton exchange.

"If a general European war should come, one member of the Stock Exchange board said "the exchange may be closed all summer."

Banking business is not greatly deranged and there is no loss of confidence as to the outlook in that direction, but dealings in foreign exchange are virtually abandoned. The events of the morning gave a prosaic Wall street one of its rare hours of pure drama. Last night it was assumed everywhere that the exchange would be open today. When word came that the London market had been closed, uneasiness grew until it was realized that Wall street faced an avalanche of selling orders which would be thrown in from Europe. Brokers had on hand buying orders for a large amount, coming from investors who desired to take advantage of the unusually low prices. The execution of these orders might hold up the market for some time, it was thought. After that time it was anyone's guess what might happen.

As late as nine thirty, half an hour before the time for opening, it was generally believed that New York would once more attempt to absorb what the rest of the world chose to thrust on it. The decision, however, was not reached at a meeting of the governing board of the exchange, but in a secluded room at the office of J. P. Morgan and company.

Morgan, following the example set by his father when he did so much to stay the panic in 1907, met there with a group of the mightiest financiers in New York. There was opposition to the suggestion that the exchange be closed. Many stock exchange governors, who were in constant communication with the group of men in Morgan's office, scouted the idea.

"Until credit facilities are gone," one of them said, "we have not the right to close."

The debate went on behind closed doors while all Wall street, through which word of the meeting spread like wild fire, waited with anxiety for the decision. On the floor of the exchange wildly excited brokers pushed back and forth shouting. In almost every brokerage house in the street were crowds of men, some eager for a chance to buy stocks at

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HERE'S CENTER OF WAR THAT IS THREATENING ENTIRE EUROPE



ARMOUR MONEY AVERTS PANIC IN WHEAT PIT

In the Face of Chaos Resulting from a Settlement Day in Midst of War Chicago Board of Trade Keeps Open

(Associated Press Dispatch)

CHICAGO, July 31.—Armour's millions rescued the wheat trade from a panic. In the face of chaos resulting from a settlement day in the midst of a war market, with the possibility that scores of firms would be embarrassed and bankruptcy for many, the Chicago board of trade was enabled to maintain its record of never closing no matter what the emergency. Not one failure has taken place. The chief reason is that Armour aided seventy-five entangled firms and individuals according to their necessities.

President George E. Marcy, an Armour grain company man who rose to the occasion quietly circulated word on the floor in person and through his lieutenants that any member in trouble need only come to him. Before night-fall Armour and company had assumed \$8,000,000 bushels on open trades which if not transferred were critically in danger of not being safely settled on contract time at the expiration of the business hours of July. In addition Marcy ordered the sale in the open market of 2,000,000 bushels of wheat and was thus instrumental in preventing Chicago prices from paralleling the wild upward sweep that in Liverpool preceded a steep fall. Marcy sold 1,000,000 bushels each of corn and oats, covering with small purchases as the condition of the market allowed. The seriousness of the situation was shown by the fact that a single big firm was called on for margins of \$400,000 at once and again for a quarter of a million.

The Armour sales of wheat were supplemented by a simultaneous disposal of 1,000,000 bushels of corn and an equal quantity of oats. These sales were afterward covered by numerous gradual purchases whenever pit conditions would allow them without disturbing the course of prices.

Marcy said tonight: "The Chicago board of trade today owed a duty to the country not to close. It was not a similar case to that of the stock exchange in New York. Millions of bushels of grain in transit had to be cared for and the effect on railroad and other interests had to be taken into account. Grains are commodities almost wholly unlike stocks and bonds."

New Orleans Closes

NEW ORLEANS, July 31.—The cotton market was brought to an abrupt end in the middle of the morning session by the board of directors who considered that the European situation warranted the suspension of business.

During the hour and one half the market was open, prices dropped in a spectacular manner. At the lowest trading in months they were from 106 to 135 points under yesterday's last prices. The range in price for the day was from 120 to 134 points. Close was at a net loss of from 69 to 70 points. Heavy buying by profit-takers on the short side at one time resulted in a violent upheaval which put the market 7 to 10 points over yesterday's close. From this there was an equally violent drop, based on news of failure of northern cotton firms, resulting in the wildest scenes the market has witnessed in years. There was a great accumulation last night of selling orders in brokers' hands. Filling these orders

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NO FINANCIAL DANGER SAYS THE PRESIDENT

He and the Administration Act Promptly to Reassure the Country Against Losses Through European War

(Associated Press Dispatch)

WASHINGTON, July 31.—The president and administration acted promptly to reassure the country against any financial dangers growing out of the European situation. First the president took steps to bring about the immediate organization of the federal reserve board in order that the new currency law might become effective.

Secretary McAdoo, in approving the closing of the stock exchanges of the country, issued a statement announcing that a half billion of emergency currency is ready at the treasury department and will be immediately available for the national banks.

"America is in a position to take care of herself," he asserted. To make more easily accessible this half billion of currency authorized by the Aldrich-Vreeland act, the senate at the suggestion of Secretary McAdoo passed unanimously an amendment to the currency law modifying the clause providing that banks of the National Currency association must secure outstanding currency notes with United States bonds to forty per cent of their capital. The amendment would give the secretary of the treasury discretionary authority to ignore this restriction. The amendment goes to the house in the morning and will probably be signed by the president before night.

The White House announced that a successor to Jones on the reserve board would be nominated tomorrow.

In the senate optimistic assurances were heard on all sides regardless of party affiliations. Senator Nelson of Minnesota dramatically declared, "in Europe they mobilize armies and navies; in America we mobilize bank reserves."

"Europe is in a crisis," said Owen, "and the great central banks of France, Germany and England practically have suspended specie payments. Something should be done to

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United States To Keep Order Throughout China

(Associated Press Dispatch)

WASHINGTON, July 31.—Responsibility for the maintenance of order in China, in the event of a general European conflict, observers here believe, will fall largely upon the United States. At present the international guard in the Chili province, including American marines and soldiers, approximately 9,000 officers and men.

Of these forces, 335 American marines under command of Major Don Williams are guarding the legation at Peking, while 1,300 infantrymen with a machine gun platoon are at Tien Tsin, under command of Col. John C. F. Tillson. It was suggested tonight that if a general European war came, the foreign troops, other than those of the United States, and possibly of Japan, might be withdrawn to augment the home forces and prevent complications in China.

It is thought, however, that the present American forces would be suffi-

cient to guarantee order and insure undisturbed traffic on the railroad between Tien Tsin and the capital city of Peking. In any event the American Asiatic naval squadron always is available as well as troops from the Philippines.

Japan Out of Vortex

SAN FRANCISCO, July 31.—Japan will be the last nation to enter the vortex that is now threatening Europe," said Y. Numano, Japanese consul general at San Francisco in an address at a luncheon given by officials of the Panama Pacific exposition in honor of Haruki Yamawaki, Japanese commissioner general to the exposition.

"In two wars within recent years my country has shown what it can do in the art of war," continued the consul general. "Here at this exposition you are going to hold next year we hope to show what we can do in the art of peace."